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GM meets with new top-level dealer group

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Dealers took a first step last week toward having their voices heard by top executives of an auto manufacturer. A committee of dealers has been formed to advise General Motors on corporate policies that affect them.

While marketing divisions have had dealer councils, the parent corporation has not. Lloyd Reuss, GM executive vice president in charge of North American automotive operations, was the top-ranking GM officer at the first meeting last week in Chicago.

Ray Green, new president of the National Automobile Dealers Association, was the driving force behind creation of the GM-Dealer Policy Committee. He called its formation a "historic event in dealer-factory relations." In the upcoming months, he said, he will press other manufacturers to form similar committees.

Green said the auto industry is in a revolution, particularly in retailing. The dealers are the experts on retailing, he said.

"Now GM will get dealer input on the changes that take place," he said. C.N. "Bud" Moore, vice president in charge of GM's customer sales and service staff, agreed. "With so many manufacturers in the marketplace and with all of them having more capacity than demand, we can't afford to make mistakes. Mistakes will kill us," Moore said.

"Dealers are the ones closest to the customer. We can do a better job with the right kind of input from them."

The committee will advise GM

see DEALERS, page 42

Green: Dealers are retailing experts.

Moore: We can't afford mistakes.

Odds favor the Viper

Chrysler Corp. Chairman Lee Iacocca gave hope to anyone betting — or praying — that the company will build the high-performance Viper roadster.

Last week, Iacocca said the odds in favor of production are "75-25." And he said that Viper will definitely get a V-10 engine if the project becomes reality.

A restyled Viper, snapped recently, carries production-like bumpers and lacks the side exhaust pipes that highlighted the original concept car.

HIDDEN IMAGE/HANS G. LEHMANN

As Congress debates, fuel economy falls

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The average fuel economy of passenger cars sold in the United States fell for the second straight model year in 1989, the National Highway Traffic Safety Administration reported last week.

The fuel economy of the nation's domestic and import car fleets slipped to 28.3 mpg, down 0.4 mpg from the 1988 model year, NHTSA said in a report to Congress.

The finding indicates that public policy and the marketplace could be set for a head-on collision on the issue of fuel economy.

Fuel economy has been falling primarily because consumers prefer bigger, more powerful cars, the report said. But Congress is considering proposals to increase CAFE standards from the current 27.5 mpg to as much as 40 mpg by 2000. Automakers say the only way to meet such standards would be to sell a lot more small fuel-sippers than the public wants.

In a separate report, the EPA predicted another 0.4-mpg decline in fuel economy for the 1990 model year. The prospect of a third consecutive annual drop in CAFE prompted the agency to warn, "If this backslide continues, problems with nationwide fuel consumption will increase, and global warming trends will worsen at a pace faster than is generally being assumed by analysts."

Both government reports attribute the decline in part to Asian imports expanding into larger vehicles, including luxury cars, that are driven by engines with greater displacement and higher horsepower. According to NHTSA, the average curb weight of 1989 cars increased 37 pounds for domestic models and 79 pounds for imports. Horsepower per 100 pounds, a measure of vehicle performance, rose from 4.18 to 4.38 on the domestic side and from 3.99 to 4.15 for imported cars.

EPA said the fuel efficiency of Asian-made cars is dropping twice as fast as that of domestic and European cars because Asian vehicles are gaining weight at double the rate of the others. The horsepower of Asian cars is increasing three times as fast as that of European cars and more than four times as fast as that of domestic cars, EPA said.

In recent years, for example, Nissan Motor Corp. in U.S.A. has introduced its new 300ZX and 240SX models, a bigger Stanza and a V-8-powered Infiniti. In the process, the average horsepower of Nissan's car fleet increased 51 percent between the 1988 and 1990 model years. Engine displacement was up 23 percent, and weight increased 9 percent.

As a result, EPA projects Nissan's fuel economy will fall 8 to 15 percent by the end of the model year, compared with 1988 levels.

NHTSA said that only nine of the 27 automakers selling 1989 cars in the United States improved their CAFE ratings. But those nine accounted for only 25 percent of total 1989 sales. They included

see CAFE, page 41

Iacocca tells top execs to buy stock

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp. Chairman Lee Iacocca is encouraging nearly 100 top company managers to buy Chrysler stock.

The move is unprecedented in the domestic auto industry, a management expert said.

Top executives were told of the program last week. It comes after Chrysler stock has dropped to about $17 a share, down about 37 percent from its 52-week high. Still, the goal is not to buoy the stock but to make executives accountable.

"Mr. Iacocca encouraged top management to buy stock," a company spokesman confirmed. "They were encouraged to be active participants in the ownership of the company.

"This is a way of ensuring that top management's fortune is tied to the fortune of the company and that everybody has a personal stake in the company's performance," the spokesman said. "As a group, we're optimistic about the long-range performance of the company. It is not unreasonable to have a stake in that performance and share the risk and rewards with shareholders."

Chrysler declined to give such details as the amount of stock executives have been encouraged to buy.

Chrysler Corp. Vice Chairman Gerald Greenwald said, "We don't discuss executive compensation except in the proxy statement, which we file every year."

Chrysler's proxy statement is expected to be released in mid-April.

Wall Street analysts applauded the stock purchase program and said the action was unrelated to Chrysler's corporate stock buyback program.

Chrysler has been stressing man-

see STOCK, page 42

1991 Accord to qualify as 'American' car

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

MARYSVILLE, Ohio — If you were stunned last year to see the Honda Accord become the best-selling car in America, take heart. It won't be "Japanese" much longer.

Honda of America Manufacturing Inc., the most aggressive of the transplant automakers in increasing domestic content, expects to introduce 1991 Accords that have 75 percent North American content. The Ohio-made car would be the first Japanese-badged auto to qualify as a domestic car under federal rules.

The 1992 model year Honda Civic built in Ohio is also expected to reach the 75 percent domestic content mark, said David Nelson, Honda's vice president of purchasing.

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Dismal Dodge

The Renault-influenced Dodge Monaco is off to a slow start. Only 461 have been sold since production started in December; dealers say it duplicates the better-selling Dodge Dynasty. Story on Page 2.

Monaco a sales dud; Dodge looks for spark

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Shouldered with the burden of selling the Renault-influenced Dodge Monaco sedan, Chrysler Corp. is trying to avoid embarrassment in the wake of the vehicle's crippled launch.

Monaco has taken such a bruising from Dodge dealers and consumers since its February introduction that the company is considering a price cut and is rethinking advertising strategy and marketing plans. A fall re-launch is already a possibility.

"We're not happy with the car's launch. We think we can do better and we're looking for ways to do better," said Larry Baker, Dodge general manager. "We're not pleased, but we're not writing it off."

Chrysler hopes to sell 20,000 Monacos in the 1990 calendar year, Baker said. But dealers sold only 461 from the time production began in December 1989 through March 20. And on March 23, the company announced a 6-week shutdown of the Bramalea, Ontario, assembly plant where the car is built.

Dodge has a 292-day supply of Monacos. Only 461 have been sold since the car went into production in December.

Dodge had a 292-day supply of Monacos on March 1.

And that only begins to chronicle the Monaco's woes.

The introduction was ill-timed; Monaco was launched in the traditionally slow-selling month of February, during an industrywide sales downturn.

Models built before March 5 are already subject to a recall because the steering shaft may separate from the steering gear, causing loss of control.

Advertising strategy was changed in mid-launch.

And many Dodge dealers do not want to sell the Monaco because they already retail the successful Dodge Dynasty sedan.

Last week, Chrysler slapped a $1,000 dealer rebate on the Monaco LE and a $500 dealer rebate on the Monaco ES — in addition to existing consumer rebates — to placate the dealer body.

Consumer incentives were expected to be increased this week from the current rebates of $1,000 on the LE and $1,500 on the ES, according to a well-placed dealer source.

"It's a redundant car," said a Midwestern Dodge dealer. "We need a convertible. We need a good 2-door. We don't need a 4-door sedan. We've got a good 4-door sedan that is priced right — the

see MONACO, page 43

Poland's FSO seeks linkup with West

By Richard W. Bruner
STAFF CORRESPONDENT

WARSAW, Poland — The managers of Fabryka Samochodow Osobowych, the Polski Fiat manufacturer, have hung out a "for sale" sign.

"We are open to any economically reasonable proposal, including a joint venture," said FSO's director of marketing and promotion, Zbigniew Choros.

Such a proposal could conceivably come from the Italian manufacturer, Fiat Auto, which recently signed a new licensing agreement with the other state-owned auto factory, Fabryka Samochodow Malolitrazowych, of Bialsko Biala in southern Poland.

Part of its deal is to sell cars through Fiat Auto, exporting about 35 percent of its annual production of 200,000 2-cylinder cars.

But FSO is willing to go beyond a licensing agreement. Its major goal is to launch a new car.

"We're having discussions with various potential partners to try to organize production of a new car," said Choros. He said FSO wants to replace its oldest car, a 1968 version of the Fiat 125.

Would FSO be interested in an American partner? "Of course," said Choros. The terms of a joint venture are "open to negotiation," he said.

"Right now, we have a complex situation that must be clarified by national legislation. The government is preparing final plans for the disposition of factories like ours," he said.

Choros said FSO would be open to a 50/50 split with a joint venture partner. More than anything, though, FSO needs a Western partner's cash.

"The whole problem is money," he said. "If we got the money, then we could buy a license and the technology and everything and pay for the marketing service."

Choros added, "I'd very much like to expand into the West. I think we have no other way. We have to observe those very tough rules and conditions which prevail in the Western markets. We have to get used to it."

New Jaguar CEO known for toughness

By Daniel Ward
STAFF CORRESPONDENT

LONDON — John Egan, 50, has stepped down as chief executive of Jaguar. He will continue as chairman until he leaves the luxury automaker at the end of June.

The head of Ford's transition team, William J. Hayden, 61, will take over both titles. Hayden is Ford of Europe's manufacturing group vice president.

Hayden

There is presently no indication of what Egan will do after leaving Jaguar.

Hayden, a tough, blunt-speaking survivor of Ford corporate life, could not be more different from his predecessor. He built his reputation the hard way, by turning around the dismal productivity of some of Ford's worst plants in Europe and successfully making the company the second-lowest-cost automaker in Europe.

The dramatic and unexpected efficiency improvements now being seen at Ford of Britain's troublesome Halewood plant testify to Hayden's doggedness.

No one messes with the former accountant, who wears a diamond-studded, 40-year Ford service badge on his tie.

Paying tribute to his predecessor, Hayden said, "In 1980 when Sir John came to Jaguar, it was on its knees. What few cars it made were of appalling quality, and the government was about to turn the lights out. He has more than trebled production over the last 10 years, introduced a new saloon (sedan) and still managed to invest half a billion dollars in new equipment. He has secured a place beside Jaguar's founder, Sir William Lyons."

Talking about his work as head of the Ford transition team, Hayden said, "What we have found has significantly pleased us, and we believe that we can make a good return on Ford's investment in the long term.

"We want to be a three- or four-model car company, and I would like to think that in 10 to 15 years, we would be making just under 200,000 cars a year. If you go beyond that, you end up with a luxury car that is being used as a taxi.

"It is key for Jaguar to have a sports car (F-type), a luxury car, a grand tourer, and it would be nice to get back to a sporty saloon."

Ford has always emphasized the benefits to Jaguar of its purchasing power. One company source revealed that Jaguar can expect to save £100 million ($162 million) a year through its link with Ford.

Cost savings are already being made in component purchasing. Hayden said it is now evident that some suppliers had been charging Jaguar very high prices. Jaguar will have a direct link to Ford's purchasing computer data base. The two companies already share 60 percent of their suppliers.

Jaguar must drag its manufacturing technology, cost control and product quality into the 1990s. Hayden may be just the man for the job.

For Jaguar management and engineers, it will be a culture shock to have a chairman who knows as much about the latest tri-axis body stamping presses as he does about supplier quality standards or purchasing.

During 10-year tenure, Sir John Egan became "Mr. Jaguar."

EGAN: *'Mr. Jaguar' emphasized dealer service and quality*

By Daniel Ward
STAFF CORRESPONDENT

LONDON — In almost exactly a decade, Sir John Egan has taken on the mantle of "Mr. Jaguar." It has become impossible to talk about the cars or the company without including its high-profile chairman and chief executive.

His legacy is considerable, and the books still to be written about the Coventry firm's rise from the ashes will be kind to the one-time petroleum engineer. He rarely made a bad decision in a tough 10-year period as chairman.

As the high points of his tenure, Egan recalls privatization of the then-BL-owned Jaguar in 1984, introduction of the XJ6 in 1986 and winning the 24-hour LeMans race in 1988.

Former shareholders will doubtless prefer to look at their bank balances and remember that Egan played his hand well in securing £8.50 (U.S. $13.68) a share from Ford Motor Co. in the November sale. The stock had been floated at £1.65 (U.S. $2.65) a little more than five years earlier.

Yet Egan's first day at Jaguar was inauspicious. The work force was on strike and, as he is apt to tell audiences, "Even the roofs leaked."

Annual sales had slumped to 14,000. Jaguar sold that number last year in Britian alone. The XJ-S

see EGAN, page 41

Corrections

- The slowness of sales of the Subaru Legacy may have been overstated in a photo and story in the March 26 issue. A Subaru of America Inc. spokesman had previously said the roughly 3,000 Subaru Legacys stockpiled at the Subaru-Isuzu Automotive Inc. plant hadn't been sold. But another spokesman said last week that the stockpile included 1,530 units that had already been sold to fleets but not delivered.

The story overstated the decline of overall Subaru sales through February. Sales were down 43.3 percent from year-ago levels.

- A story and table in the March 26 issue about National Highway Traffic Safety Administration 35-mph crashes had incorrect information about the passive restraint used in the Hyundai Excel 2-door hatchback. It has non-motorized seat belts.

Edsel B. Ford II

After years in secondary roles, he wants to run a profit center

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — When Edsel B. Ford II was studying at Babson College on the East Coast in the late 1960s, he liked to attend Trans Am races on the weekends to watch the Ford Motor Co. racing teams compete. The young Ford would walk around the track and in the pits as the full-race Mustangs flew by.

Edsel was not a casual racing fan. He focused intensely on every action of the cars on the track — so intensely that one former Ford executive remembers Ford biting his fingernails down to the quick during a race.

With that same interest, the only son of former Ford Chairman Henry Ford II is working his way to the top management echelon of the company that his great-grandfather founded and his father led for 34 years. But Edsel says he has always worked for someone else.

He was assistant managing director of Ford of Australia and general sales and general marketing manager for Lincoln-Mercury Division. Ford is now executive director of Ford's marketing staff, gathering and assimilating marketing data for the company and contributing to long-range planning.

After 12 years in middle and upper management, Ford said it is his time to run a piece of the Ford empire by himself.

"I want to run an operation; I think that the thing that is lacking in my career is having full authority of an operation," said Ford.

"I think that the only thing I need to do is run a profit center. Which profit center can be negotiated. I've been second in command a lot, and I think it's time to run something."

Meanwhile, as head of the company's worldwide marketing staff and a member of the board of directors, the 41-year-old heir feels he is gaining more insight into what makes Ford Motor Co. tick.

In his marketing staff job, Ford coordinates all customer satisfaction and market research information for the company and renders opinions on future product plans worldwide. Ford's marketing staff also has responsibility for the company's corporate advertising, the naming of products and marketing leadership.

AUTOMOTIVE NEWS/JOE WILSSENS

Edsel B. Ford II, only son of the late Henry Ford II, is executive director of the marketing staff for Ford Motor Co.

Edsel Ford recently met with the marketing staff of Ford's Asia-Pacific operation and is planning to visit Ford of Europe to meet with marketing managers to review plans for Europe. He said the job, which he has held since last July 1, has given him a more "global

see FORD, page 40

Tokyo stock dip is problem for smaller makers

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — The sharp decline of the Tokyo Stock Market in recent weeks, plus the weakening of the yen, puts a question mark on ambitious automotive expansion plans of just a few months ago.

The larger companies are unlikely to be hurt unless the market remains flat for much of the year. But the smaller companies that are already struggling, like Fuji Heavy Industries, may face even more severe tests, according to analysts.

Importers who were eyeing further growth of 30 percent annually now have to consider exchange rate losses and a possible downturn in the luxury segment.

The industry as a whole is still projecting a record increase in capital investment for fiscal 1991, which began April 1. But much of that is due to ambitious plans by Toyota Motor Corp., Nissan Motor Co., Honda Motor Co. and Mazda Motor Corp. — companies that have been increasing capital spending in recent years.

But the smaller companies that cannot rely on large sales increases will now have a difficult time raising funds in the stock market. The result will be a further "acceleration in the division between the haves and the have-nots" among the Japanese makers, according to analyst Neal Doying of Baring Securities.

Until now, there has been an almost free-for-all environment, where money could be raised at will through warrants and convertible bonds. Doying estimated that since 1985, the 11 Japanese auto firms raised about $13.4 billion in the stock market. Even Toyota, which has no shortage of cash, raised $1.5 billion last year.

Japanese companies were raising funds at an average of 3 percent interest compared to 11 percent for American companies.

Much of that money is now being put into plant renovation and increased automation. Nissan estimates its capital investment for the fiscal year ended March 31 at 150 billion yen ($967.7 million) and is projecting investment of 200 to 250 billion yen ($1.29 to $1.61 billion) a year for the next two years.

The cost of a new plant in Kyushu is estimated at 100 billion yen ($645 million) over two years. Nissan is also planning to increase automation on final assembly up to 25-30 percent.

Much of the incentive to increase automation is the need to compensate for a labor shortage rather than to cut costs. It may take three to five years to recoup costs.

Nissan recently developed what it calls an "intelligent body assembly system," which makes body assembly more efficient, more flexible and more precise. Ultimately, it should also bring a reduction in the work force and in basic re-tooling costs, since only computer programs will have to be changed, not entire jigs.

Nissan has installed the system, which costs 1 billion to 2 billion yen ($6.5 million to $13 million), in two plants and plans to install it in three others in Japan. The system also will be installed in the Smyrna, Tenn., plant in two to three years.

But even the "haves" may be in for a more difficult time than they are yet willing to admit. Analyst Koji Endo of Nomura Securities said he expects to see a decline in capital investment in the coming year, perhaps as much as 20 percent despite company assurances to the contrary.

Endo also suggests much less growth in the domestic market and a possible deceleration in the luxury market.

Price may not be a major factor for most Japanese buyers of imported cars, but the stock market tumbled just as all the West German makers raised prices.

The exchange rate has not yet affected American models. But the dollar has risen 15 to 20 points against the yen since last fall, and analysts expect it will soon reach 160, perhaps 170, and stay at that level for much of the year.

It's auto mall with barbers, baby sitters

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

As the saying goes, most people would rather go to the dentist than visit a car dealership. Ronald D. Ertley is out to change that. He believes that buying a car or having it serviced should be more akin to being pampered at a salon than to having teeth pulled.

The Ertley Dealerships auto park, which he plans to open in Wilkes-Barre, Pa., later this year, will feature a beauty salon, a barber shop and baby-sitting service in addition to housing nine of his 14 car franchises and its used-car operation under one roof.

Ertley said the purpose of the customer hospitality center is to give customers the option of having their hair care needs fulfilled while waiting for their car to be serviced or providing child care while they shop for a new car.

He said at least 50 percent of his customers are repeat buyers, and he believes that enhancing the dealership experience will keep them coming back.

"We're not doing this because we have big egos," said Ertley, a third-generation car dealer. "We want to keep our customers within our corporate confine.

"Our purpose isn't to make money, but to offer a service. We want to make it fun."

The nine brands to be housed in the auto park are Oldsmobile, Cadillac, Mercedes-Benz, Volvo, Honda, Toyota, Mitsubishi, Hyundai and Acura. Ertley also has Chevrolet, Geo, Pontiac, Buick and GMC Truck franchises located about four miles west of the park in Kingston, Pa.

Ertley plans to break ground on the project early this month, and expects to have it up and running by the end of the year. He declined to disclose how much he is investing in the project.

The park will be open seven days a week, but on Sunday it will be

see AUTO PARK, page 46

Toyota praised for minority hiring at Kentucky plant

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

GEORGETOWN, Ky. — An affirmative action program appears to be helping Toyota Motor Manufacturing U.S.A. Inc. avoid the rap that transplant automakers aren't hiring enough minority workers.

The company is receiving kudos from local humanitarian groups for its hiring efforts at the 2-year-old Camry plant near Lexington, Ky.

Toyota reports that nearly 14 percent of its 3,150 employees are minorities — non-white men and women, not including a small base of Japanese workers. That's more than double the percentage of minorities living in the Lexington area.

In March, Toyota was honored by the National Conference of Christians and Jews in Lexington.

"It's commendable that Toyota would achieve what it has, especially considering that it's a relatively new company here," said Jesse Crenshaw, president of the Lexington-Fayette NAACP. "Some companies have been around here a long time and don't have numbers like that."

Minority-hiring policies have been a source of trouble for some Japanese companies in the United States. Two years ago, Honda of America Manufacturing Inc. was ordered to pay $6 million to 377 blacks and women for discriminatory hiring practices at its Marysville, Ohio, plant.

A study published at that time by Robert Cole of the University of Michigan's business school rapped the transplants for a poor record in hiring blacks. But Cole believes the situation is improving.

"You're seeing substantial change in minority hiring at the transplants," Cole said. "It's largely because of all the negative public attention they received."

Honda's Ohio operation has increased its minority employment to 10.6 percent of its 9,000-member work force, from 2.8 percent three years ago.

Sam Heltman, Toyota's vice president of personnel, said the Kentucky plant sought to avoid problems from the outset by involving local minority organizations in establishing its hiring policies.

At other transplants, Nissan Motor Manufacturing Corp. U.S.A. in Smyrna, Tenn., says minorities make up 17.6 percent of its 3,200 employees. At Mazda Motor Manufacturing (USA) Corp. in Flat Rock, Mich., the figure is 18.7 percent of 3,500.

Diamond-Star Motors Corp. does not release demographic information about its plant in Normal, Ill.

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Ford to increase use of van pool firms

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. plans to distribute virtually all van conversion chassis through authorized consignment pool companies within three years.

James M. Ludlow, Ford Division truck sales promotion manager, said virtually all E-150 Econolines and Aerostars equipped for van conversion will go through authorized pool accounts by late 1992. Today, only about half do.

Ludlow said the move was designed to create a closer relationship with companies building Ford brand van conversions.

He added that Ford will be "better able to exercise quality assurance measures" for higher product quality and greater customer satisfaction.

Unlike Chevrolet, which undertook a similar change in only a few months, Ford is phasing in its program change to allow orderly transition for those businesses presently involved in the sales and distribution of Ford van conversions, but which are not currently members of the Ford consignment pool, Ludlow said.

Jerome Mittman, Ford Division RV sales manager, added that Ford Motor Credit Co. will begin taking over financing of such vehicles "within the next few months."

Ford Credit already is reviewing the financial condition of current pool accounts and those applying for admission to its consignment pool.

Companies applying for admission to Ford's pool system are also being reviewed by Ford's engineering department, by the company's RV department and through feedback from the division's district sales offices, dealers and customers.

Mittman said there is no target on how many additional companies will be admitted to the pool. Ford currently has about 60 authorized pool converters.

It will admit as many as it takes to "give us adequate representation in the marketplace and an appropriate share of market," Mittman said.

About 200 companies have applied, though not all of them are under active consideration, Mittman added.

Most recently named to Ford's pool were Advantage West Corp. of Tempe, Ariz., which was formerly a part of Rockwood Corp.; Mark III Industries of Ocala, Fla.; Quality Coaches of Elkhart, Ind.; and Vehicle Concepts Corp. of Bristol, Ind.

Vehicle Concepts is primarily a Class B van camper manufacturer, but it also does van conversions.

Those new firms, together with four other recently reported additions, bring to eight the number of new accounts Ford has approved in the past few months.

Mittman estimated that by 1992, 90 to 95 percent of Ford's chassis will go through official, Ford-approved converters.

In 1992, Ford may still allow some additional companies that meet all its criteria, except possibly the financial criteria, to continue to purchase conversion chassis through its dealers, Mittman added.

"But we would have to approve them for receipt of our chassis, even under that program," he added.

That program is designed to continue to allow young companies to enter the van conversion business and not automatically exclude them because of their size.

Sales rise for van conversions

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The van conversion market is rebounding strongly from its winter doldrums, according to Detroit chassis suppliers and van converters.

The chassis supply is adequate right now, according to Chevrolet and Ford officials. But some observers feel that if the market continues to increase as it has, there could be shortages by summer.

"It's booming right now. The business is excellent, both on the retail and wholesale side. We're running to keep up," said Jim Greene, Chevrolet's assistant RV manager.

Greene said Chevrolet isn't short on chassis, but is just keeping even with market demand.

Jerome Mittman, Ford Division RV sales manager, also described demand for the company's conversion chassis as "very strong."

Gary Soos, vice president of marketing for Kentron Inc. of Elkhart, Ind., said business is "considerably better than it has been for the past six, seven months."

"If the market continues growing like it has over the past 30 to 60 days, I can see where we as an industry could have a chassis shortage by summer," he said.

Of course, the market rebound has been particularly good for converters. They no longer have to place large incentives on their products to move them.

"The whole business is exciting again," Soos said.

Kentron is the parent company for U.S. Conversions, Premier Editions, Regal Editions and Ram Coach — brand names under which it produces and markets Chevrolet, GMC, Ford and Dodge conversions.

Kentron also has noted a sharp increase in the Chevrolet and GMC pickups and Suburban conversions at its Mansfield, Texas, plant. Soos said he expects to convert more than 400 pickups and Suburbans in the next three months.

One of the exciting new products hitting the conversion market right now is GM's extended-wheelbase M-van. It has been well received by converters.

GM recently enhanced the appeal of the extended Chevrolet Astro and GMC Safari by including it under a more general minivan rebate. The vans qualify for a $500 consumer rebate through May 2.

They are another reason why Chevrolet officials are adamant about keeping Astro in the conversion market for the foreseeable future.

Ford has indicated the likelihood of discontinuing its Aerostar minivan as a conversion item by the 1992 model year. But Aerostar has never been a big conversion unit.

By contrast, Astro accounted for about 35 percent of Chevrolet's total van conversions in calendar 1989.

Appointments, TV series star at RVIA gathering

SCOTTSDALE, Ariz. — The Recreation Vehicle Industry Association mapped out plans for a new RV travel series and announced new member appointments at its annual meeting.

Landers

Humphreys

Jay Landers was named director of government affairs for RVIA. He will work with Dianne Farrell, RVIA's vice president of government affairs, in promoting the interests of the RV industry among state legislators, regulators, policy makers and other officials.

David J. Humphreys, RVIA president, was appointed first vice chairman of the Travel Industry Association of America.

The association is the umbrella organization for all segments of the travel and tourism industry. Humphreys previously served as the organization's second vice president.

A new travel television series being developed by RVIA in cooperation with The Nashville Network will be introduced in July if seven special RV industry sponsorships being offered through the association are sold by April 15.

Planning is still in the preliminary stages for the series which would succeed "Wish You Were Here," the industry's first TV venture.

The new show's format would continue to focus on RV travel destinations and the RV lifestyle, but with a new host couple yet to be signed.

Centurion's customized "Ranger Dually"

Centurion Vehicles Inc., White Pigeon, Mich., has a new dual-rear-wheel version of Ford's Ranger pickup. It features two standard equipment levels and a variety of options.

'89 shipments decline

But value, price rise for van conversions

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Although wholesale van conversion shipments were off slightly in calendar 1989, the value of those shipments and their average price increased solidly.

Wholesale conversion sales are projected to set a record in 1990.

Indiana and Florida continue to be the two fastest-growing sources of van conversion production, and the East North Central region — led by Ohio, Michigan and Illinois — is the biggest purchaser of upfitted vans, according to the Recreation Vehicle Industry Association.

Van conversion shipments totaled 200,400 last year, down 1.86 percent from 1988.

The total value of the 1989 shipments was $3.7 billion, 4.85 percent more than the previous year, according to RVIA.

The average wholesale unit price of a van conversion jumped 6.83 percent to $18,453 in 1989, RVIA said.

Indiana continued as the largest van-conversion-producing state, followed by Florida, Georgia, California, Texas and Michigan.

The five states that make up RVIA's East North Central region continue to be the best market for upfitted vans. The states are Ohio, Michigan, Illinois, Indiana and Wisconsin.

Buyers in the East North Central region purchased 31.40 percent of all upfitted vans, followed by the South Atlantic region with 14.81 percent and the West South Central region with 10.26 percent.

RVIA's South Atlantic region consists of Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia and West Virginia.

The West South Central region is composed of Arkansas, Louisiana, Oklahoma and Texas.

Among individual states, Ohio accounted for 9.85 percent of all van conversions purchased last year, followed by Michigan with 7.55 percent and Illinois with 6.88 percent.

Californians purchased 6.51 percent of conversions, and Texans bought 6.44 percent. Some 6.35 percent of vans were shipped outside the United States.

John W. DeWolf, economic consultant to RVIA, forecast that van conversion shipments will set records of 207,000 in 1990 and 228,000 in 1991.

VAN OUTPUT LEADERS

State	1989	1988
Indiana	42.08	37.70
Florida	19.92	17.61
Georgia	6.83	6.62
California	5.94	6.24
Texas	4.54	4.03
Michigan	3.98	5.59
Others	16.71	22.21

RV BRIEFS

Ford re-rates chassis

DEARBORN, Mich. — Ford Motor Co. boosted the weight-carrying capability of its F Super Duty motor home chassis by 1,000 pounds to 17,000 pounds gross vehicle weight.

Jerome J. Mittman, Ford Division recreation vehicle manager, said the increased gvw rating would allow the chassis to accommodate larger and heavier motor homes.

The increased rating resulted from field tests which indicated the chassis could carry more than its original rating. There were no changes in chassis components nor any other type of re-engineering on the chassis to achieve the higher rating.

Therefore, body builders can re-rate any 16,000-pound gvw Ford chassis they may have already had in stock.

Mittman added that the Super Duty motor home chassis has few components in common with the Super Duty commercial chassis which Ford sells for wreckers and other body applications.

He did not anticipate the latter getting a gvw rating boost.

"Just because we upgrade the one, does not mean we'll upgrade the other," Mittman said. "They have a different duty cycle."

Midwest RV show set

ELKHART, Ind. — The drawing for space at the 1990 Midwest Manufactured Housing and Recreational Vehicle Show will be held here April 25 and 26.

RV manufacturers will choose their space the morning of April 26, while RV suppliers will take their turn in the afternoon.

Able acquisition

ENNIS, Texas — Able Enterprises Inc. has purchased the assets of Fashion Interiors Inc. of Fort Worth, Texas.

Able, a major manufacturer of windows and window coverings for the van and RV markets, has added Fashion's shades to broaden its product line.

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Dec. 1988	Dec. 1989	Jan. 1988-Dec. 1988	Jan. 1989-Dec. 1989
Japan	Export	2,440	1,684	21,720	21,966
	Import	216,717	184,837	2,123,051	2,051,525
Canada	Export	40,493	19,275	616,910	569,039
	Import	88,887	94,007	1,191,357	1,151,122
West Germany	Import	34,125	19,222	264,249	216,881
South Korea	Import	44,434	21,217	455,741	270,609
Sweden	Import	10,469	9,546	108,006	101,571
Mexico	Import	12,069	4,640	148,065	133,049
Yugoslavia	Import	0	8	28,431	2,341
United Kingdom	Import	2,854	2,664	31,636	29,378
Italy	Import	638	408	6,053	9,319
France	Import	616	9	15,990	4,885
Brazil	Import	2,922	4,611	59,401	46,147
Others	Export	16,555	16,197	140,343	187,368
	Import	1,940	2,673	18,233	25,901
Car total	Export	59,488	37,156	778,973	778,373
	Import	415,671	343,842	4,450,213	4,042,728
TRADE BALANCE		(356,183)	(306,686)	(3,671,240)	(3,264,355)

Light trucks (up to 10,000 lbs. gvw)

Canada	Export	10,200	9,971	152,686	143,643
	Import	33,589	40,256	299,351	452,646
Japan	Import	46,381	28,699	548,356	422,851
Mexico	Import	0	1,721	29	9,782
Others	Export	3,098	1,310	31,914	13,956
	Import	6	80	2,536	836
Truck total	Export	13,298	11,281	184,600	157,599
	Import	79,796	70,756	850,272	886,115
Trade balance		(66,498)	(59,475)	(665,672)	(728,516)
Car and truck total	Export	72,786	48,437	963,573	935,972
	Import	495,467	414,598	5,300,485	4,928,843
TRADE BALANCE		(422,681)	(366,161)	(4,336,912)	(3,992,871)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Dec. 1988	Dec. 1989	Jan. 1988-Dec. 1988	Jan. 1989-Dec. 1989
Japan	Export	$ 30,600	$ 30,231	$ 271,412	$ 334,817
	Import	2,045,165	1,876,748	19,877,699	20,152,288
Canada	Export	432,393	272,717	6,259,139	6,146,970
	Import	997,530	1,053,604	13,255,226	12,872,651
West Germany	Import	790,566	410,371	6,441,720	5,020,555
South Korea	Import	266,930	113,456	2,486,510	1,592,436
Sweden	Import	167,046	154,992	1,698,197	1,649,382
Mexico	Import	103,630	46,797	1,270,947	1,174,784
Yugoslavia	Import	0	29	75,794	6,975
United Kingdom	Import	97,104	88,534	941,406	937,014
Italy	Import	19,713	18,150	152,152	262,709
France	Import	7,250	253	171,178	58,765
Brazil	Import	17,034	28,501	341,274	282,399
Others	Export	201,813	238,397	1,781,216	2,142,748
	Import	32,165	44,539	292,592	406,657
Car total	Export	664,806	541,345	8,311,767	8,894,535
	Import	4,544,134	3,835,974	47,004,697	44,416,615
TRADE BALANCE		(3,879,328)	(3,294,629)	(38,692,930)	(35,522,080)

Light trucks (up to 10,000 lbs. gvw)

Canada	Export	$ 108,586	$ 125,858	$ 1,543,344	$ 1,699,431
	Import	402,264	512,892	3,400,302	5,210,250
Japan	Import	302,095	168,210	3,241,138	2,584,397
Mexico	Import	617	21,112	9,428	121,647
Others	Export	33,409	20,567	39,296	188,239
	Import	2,557	3,116	143,291	53,931
Truck total	Export	141,993	146,425	1,936,310	1,877,670
	Import	707,533	705,330	6,794,160	7,970,225
TRADE BALANCE		(565,540)	(558,905)	(4,857,850)	(6,092,555)
Car and truck total	Export	806,799	687,770	10,248,077	10,772,205
	Import	5,251,667	4,541,304	53,798,857	52,386,840
VEHICLE TRADE BALANCE		(4,444,868)	(3,853,534)	(43,550,780)	(41,614,635)
TOTAL U.S. Merchandise trade (customs value)	Export	28,863,800	31,108,500	322,426,400	364,349,800
	Import	39,668,400	38,277,700	440,952,300	472,925,800
TRADE BALANCE		(10,804,600)	(7,169,200)	(118,525,900)	(108,576,000)

Auto trade deficit declines despite increase for Japan

WASHINGTON — Despite increased U.S. production by Japanese automakers, the value of automotive imports from Japan increased last year.

But the increase was not enough to offset a decline in the value of imports from other parts of the world, including Canada. As a result, the U.S. automotive trade deficit shrank 4.4 percent in 1989.

Year-end statistics from the U.S. Commerce Department show the value of imports dropped 2.6 percent from 1988, while the value of U.S. exports increased 5.1 percent. The result was a U.S. trade deficit in passenger cars and light trucks of $41.6 billion for 1989, down from $43.55 billion in 1988.

According to Dennis Rapkins, automotive analyst for the U.S. International Trade Commission, the number of vehicle imports fell "largely because U.S. production by Japanese-owned automakers increased and continued to replace imports from Japan."

"Japanese producers also proceeded to shift their mix of exports to the United States to upper line cars, resulting in an increase in the unit value of imports from Japan," he added.

Japan shipped 2.05 million passenger cars to the United States last year with an estimated value of $20.15 billion. In 1988, Japan sent 3.4 percent more passenger cars to the United States, but their value was 1.4 percent lower than in 1989.

The other key to lower imports in 1989 was Canada, Rapkins said.

"The Big 3 experienced an overall decrease in sales in the U.S. market during 1989, which led to a decline in U.S. imports of their Canadian-made autos," he said. The number of Canadian autos imported during 1989 fell 3.4 percent.

U.S. export performance was mixed for the year. While the value of exports rose 5.1 percent, the number of cars and trucks exported declined 2.9 percent.

Rapkins explained that the number of U.S. auto exports declined slightly as "the Canadian auto market, which is by far the largest market for U.S.-made autos, paralleled the U.S. market and remained relatively soft."

He said the value of exports increased because the vehicles that were exported were priced higher than in 1988.

The big loser among importers for the year was Yugoslavia. The value of its U.S.-bound shipments declined 90.8 percent for the year. Those numbers are reflected in a dramatic decline in Yugo sales.

France, South Korea and West Germany also sent fewer cars to the United States in 1989.

The value of French shipments was down 65.7 percent. Peugeot sales were flat, and imports of the Renault-built Eagle Medallion were discontinued.

Imports from South Korea were down 36 percent. Ford Festiva sales were flat last year, but Hyundai and the Pontiac LeMans suffered.

Every West German maker experienced a sales decline in the United States last year, and the result was a 22.1 percent drop in value of West German shipments.

In December, the value of exports fell 14.8 percent compared to December 1988, while imports declined 13.5 percent for the month.

The December trade deficit showed a 13.3 percent improvement because the decline in import value was from a much higher base. The total value of imports for the month was $4.5 billion compared to only $687 million in exports.

Much of the drop in import activity for the month was due to large ddeclines in the value of car shipments from West Germany, 48.1 percent; South Korea, 57.5 percent; France, 96.5 percent percent; and Mexico, 54.8 percent. The value of imports from Japan was off 8.2 percent for the month, while the value of shipments from Canada increased 5.6 percent.

Japan sends buying execs to Las Vegas parts talks

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

In an effort to soothe growing U.S.-Japanese trade tensions, Japan's automakers are sending 150 of their top purchasing officials on an unprecedented parts-sourcing mission this week in Las Vegas.

The gathering will put top executives from 50 U.S. parts firms into closed meeting rooms with key purchasing officials from all 11 Japanese car and truck makers.

A number of the Japanese vehicle makers are sending powertrain-sourcing executives. The step indicates Japan's new interest in increasing its small purchases of high-value U.S. engine and transmission componentry.

The three-day summit comes just as some U.S. suppliers are calling for "Super 301" protection of the auto parts industry — a drastic measure that would essentially hold Japan's government accountable for what is seen as inadequate U.S. sourcing by Japanese makers.

Not all parts makers believe such steps are necessary. But a number of prominent suppliers complained before a Commerce Department hearing in February of continuing difficulty in penetrating the Japanese original-equipment supply market. Several industry officials urged Commerce to apply greater pressure on Japan to open its automotive supply trade.

William Raftery, president of the Motor and Equipment Manufacturers Association, called the Las Vegas meeting "a more positive effort to bring the U.S. and Japanese industries closer together."

MEMA, an 800-member U.S. automotive trade group, is cosponsoring the meeting with the Japan Automobile Manufacturers Association. Officials from the U.S. Department of Commerce and Japan's Ministry of International Trade and Industry — the powerful office that governs foreign business activity — will attend as observers.

More than 200 top U.S. executives from 50 firms are planning to attend, according to Raftery. He said at least 150 other U.S.-based suppliers were turned down because of space limitations.

Impulse debut ends Isuzu passenger car hiatus

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

In look and feel, American Isuzu Motors Inc.'s new 1990 Impulse XS bears little resemblance to its predecessor.

Touting "European design touches," a redesigned engine and Lotus-tuned suspension, Isuzu says the car is different than the General Motors badged Geo Storm, although the cars share the same platform.

The first-generation Impulse has been out of production for nearly a year. The introduction of the 1990 Impulse XS marks Isuzu's return to the U.S. passenger-car market.

The front-wheel-drive XS carries a 1.6-liter 4-cylinder engine with 16 valves and dual overhead camshafts. The high-revving engine produces 130 horsepower at 6800 rpm and 102 pounds-feet of torque at 4600 rpm.

It is available with either a 4-speed automatic or 5-speed manual transmission. The automatic carries a base price of $12,744, the manual starts at $11,999.

Four-wheel disc brakes, with ventilated fronts, are hydraulically powered. A driver's-side airbag is also standard.

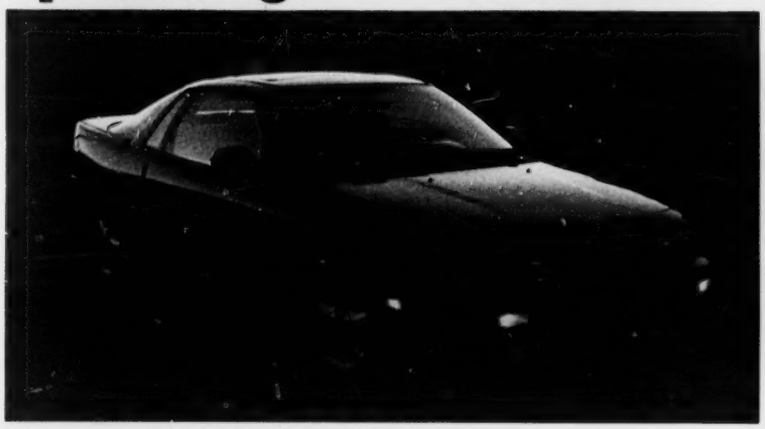
Isuzu Motors Ltd. solicited Lotus' help with earlier Impulse and I-Mark models. For the new XS it relied on Lotus for calibration of spring rates, shock damping, roll bar diameter and suspension bushings.

Four-wheel independent suspension utilizes MacPherson struts with low pressure gas-filled shock absorbers. In addition, Isuzu claims stability is enhanced by a steering rack that is rigidly mounted to the front cross member, rare for a fwd car.

Factory options include air conditioning, an upgraded stereo, aluminum alloy wheels and a sport package that includes fog lamps, cruise control, a stereo equalizer and power windows and door locks.

Design changes, such as semi-concealed headlamps, concealed door handles and a rear lip spoiler, give the car a capsule-like appearance and a 0.31 coefficient of drag.

The upcoming Impulse RS high-trim model will be turbocharged, all-wheel-drive and fuel-injected. The RS is due out this fall as a 1991 model.



The standard 1.6-liter engine in the 1990 Impulse also will power the 1991 Lotus Elan base model.

IMPULSE FOR 1990

Model	Wheelbase (inches)	Length (inches)	Width (inches)	Height (inches)	Weight (pounds)	Engine size & style	Drive type	Body styles
Impulse XS	96.5	166.0	66.7	51.1	2,411	1.6-liter 4-cyl.	fwd	2-dr hb

Canadian car-truck sales tumble 11% in February

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — After a surprisingly strong January, Canadian car and truck sales fell 11.16 percent in February.

As in recent months, imported vehicles fared better than domestics.

Among the domestic automakers, Chrysler Canada Ltd. suffered the worst loss in car sales, dropping 15.97 percent. It was followed by General Motors of Canada Ltd., down 14.57 percent, and Ford Motor Co. of Canada Ltd., off 12.80 percent.

Canada's stubbornly high interest rates, driven by a 14.25 percent prime, were again blamed for sluggish sales.

"February sales reflect market uncertainty about the federal budget measures and interest rates," said Udo Kaul, Ford's general sales vice president.

Ford continued to offer incentives on certain models. Interest rates on the Escort, for example, were as low as 6.9 percent for 12- to 24-month contracts.

Although 11 of 18 car importers were down in February, total import car sales slipped only 1.07 percent.

Three of the top four car importers posted improvements for the month, led by Honda's 40.15 percent gain. Volkswagen's new pricing policy helped it achieve a 17.33 percent sales increase.

On the light-truck side, the domestics declined 20.23 percent. Imported trucks picked up 11.35 percent over the same month last year.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Feb. 1990	Feb. 1989	2 mos., 1990	2 mos., 1989
General Motors	18,086	21,170	35,779	38,473
Ford	9,682	11,103	19,264	21,612
Chrysler	6,767	8,053	13,167	14,226
Honda	2,219	2,385	4,282	4,764
Hyundai	605	0	954	0
Volvo	187	300	410	556
Domestic car total	**37,546**	**43,011**	**73,856**	**79,631**
Import cars				
Toyota	4,885	4,946	9,497	8,870
Honda	4,248	3,031	8,114	5,352
Mazda	2,127	1,961	3,986	3,335
Volkswagen	2,011	1,714	3,810	3,395
Hyundai	1,301	2,256	2,169	4,203
Nissan	1,648	1,885	3,051	3,123
GM	1,445	1,767	3,646	3,235
Chrysler	1,125	1,594	2,424	2,716
Ford	600	429	1,078	722
Suzuki	589	502	1,055	933
Subaru	524	370	985	771
Mercedes-Benz	261	240	544	519
BMW	230	330	480	694
Volvo	183	211	361	422
Jaguar	80	120	188	246
Lada	45	63	115	114
Saab	41	129	96	245
Skoda	2	27	12	46
Import car total	**21,345**	**21,575**	**41,611**	**38,941**
TOTAL — ALL CARS	**58,891**	**64,586**	**115,467**	**118,572**
Domestic trucks (including vans)				
GM	9,059	10,458	18,905	20,303
Ford	8,361	10,429	16,424	19,338
Chrysler	5,432	7,759	15,287	13,962
Domestic truck total	**22,852**	**28,646**	**50,616**	**53,603**
Import trucks (including vans)				
Mazda	1,385	1,459	2,454	2,288
Toyota	1,187	1,056	2,480	2,093
Nissan	1,175	903	2,203	1,725
GM	881	660	1,975	1,284
Suzuki	538	509	992	980
Chrysler	171	207	327	447
Volkswagen	39	28	69	59
Lada	8	13	12	34
Import truck total	**5,384**	**4,835**	**10,512**	**8,910**
TOTAL — ALL TRUCKS	**28,236**	**33,481**	**61,128**	**62,513**
TOTAL — CARS, TRUCKS	**87,127**	**98,067**	**176,595**	**181,085**

Vickers, Rolls-Royce parent firm, offers $263 million for Cosworth

NEW YORK — Vickers plc, the parent company of Rolls-Royce Motor Cars Ltd., plans to acquire Cosworth Holdings Ltd. for £163.5 million ($263.2 million).

Cosworth is best known for the development and manufacture of racing engines, particularly with Ford. Its other customers include Mercedes-Benz, Jaguar, Aston Martin, Maserati and Rolls-Royce.

Cosworth, part of Carlton Communications plc, made a profit of about $23 million on sales of about $85.5 million in the fiscal year ended Jan. 31.

Founded in 1958 by a team of engineers, including the present chairman, Michael Costin, Cosworth employs about 700 people. Headquartered in Northampton, England, it has additional operations in Worcester, England, and Los Angeles.

According to a Vickers statement, the present Cosworth management team is expected to remain for the present. Michael Dunn, engineering director of Rolls-Royce Motor Cars, will become part-time chairman of Cosworth.

Vickers shareholders are expected to vote on the proposed acquisition April 26.

— Jim Henry

Magna reports second-quarter loss

MARKHAM, Ontario — Magna International Inc. lost $186.6 million (U.S. $158.7 million) in the second quarter of fiscal 1990 and has appointed three outside directors to oversee the restructuring of $1.1 billion (U.S. $935 million) in debt.

The loss for the quarter that ended Jan. 31 compares with net income of $13.2 million (U.S. $11.2 million) in the year-ago period. Canada's largest parts supplier now has lost $196.5 million (U.S. $167.1 million) for the first half of the year, compared with profits of $18.6 million (U.S. $15.8 million) a year ago. First-half sales were down 2.1 percent to $891.3 million (U.S. $757.9 million).

Magna attributed the decline to lower production volumes caused by an overall industry slowdown.

The company said it will sell some "problem plants," which collectively are losing $60 million to $70 million (U.S. $51 million to $59 million) a year on operations.

Magna also said it will negotiate price relief from customers.

In a cost-cutting effort, the company has already closed a restaurant. Other steps will include the sale of Magna's company airplane and discontinuation of publishing activities, including *Vista* magazine.

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CAFE

FROM PAGE 1

Ford Motor Co., whose rating increased by 0.1 mpg to 26.5, the CAFE standard for the 1989 model year.

Chrysler Motor's CAFE dropped 0.5 mpg to 27.9 mpg last year. General Motors' fell by 0.4 mpg to 27.2 mpg. The average CAFE for imported cars dropped by 0.8 mpg between 1988 and 1989. Thirteen of the 24 imported fleets — including all 10 sold under Asian nameplates — were less fuel efficient, NHTSA said.

Automakers say fuel-economy is declining because they are responding to the market's demands.

"Buyers really want to pick up a car with a few more options and features that tend to reduce fuel economy," said David L. Kulp, manager of fuel economy planning and compliance at Ford.

Also dragging down mileage are new safety features, including federally mandated passive restraints, that on average add 100 pounds to a vehicle, Kulp said.

Passenger car weight could also increase further with passage of a new clean air bill because carmakers might have to add equipment, such as systems to capture gasoline fumes during refueling, to further curb emissions, Kulp said.

Another factor in the declining CAFE levels is the low price of fuel. With gas selling at $1 a gallon, a buyer who opts for a car that gets 40 mpg rather than 30 mpg will save only $83 a year on gas, according to David Cole, director of the Office for the Study of Automotive Transportation at the University of Michigan. To squeeze 10 mpg more out of a car, a manufacturer may have to charge $1,000 more for adding technological innovations.

A 40-mpg CAFE could become reality if some Senate leaders have their way. Sen. Richard H. Bryan, D-Nev., is expected to reintroduce CAFE legislation this month similar to provisions thrown out of the Senate's version of the clean-air bill. Bryan agreed not to include CAFE as part of the bill only because powerful senators promised their support for a separate CAFE bill.

The EPA said that if current trends continue, all Asian automakers except Mitsubishi, Suzuki and Daewoo (which makes the Pontiac LeMans) will have CAFEs below 25 mpg by 2000. The current standard is 27.5 mpg.

Bryan and his supporters say that fuel economy can be increased by the use of multivalve engines, overhead cams, automatically controlled transmissions and front-wheel drive.

The imports already widely employ many of those technologies. The domestics are admittedly behind. Only GM, for example, has its own multivalve engine.

Kulp believes the fuel savings benefits of multivalve and other so-called fuel-saving technologies are highly exaggerated, at best half of what has been estimated.

"If technology doesn't get you there (to CAFE), you readust the mix and pricing to make up the difference," Kulp said.

"But we already have to use a lot of incentives and tools to sell enough small cars to offset large cars. This is one reason why the new Escort must succeed," he said, referring to the new version of the popular subcompact, which has just gone into production.

Toyota also said it will be difficult to move ahead further. "We have already done the things they have outlined and we can't see getting anywhere near the goals being tossed around," said James Olson, vice president of external affairs for Toyota Motors Sales USA.

According to the NHTSA study, CAFE levels for imported light trucks fell 2.3 mpg for manufacturers using the 4-wheel-drive standard and 0.6 mpg for truckmakers using the composite standards. NHTSA sets a 2-wheel drive standard, but no manufacturers use it.

Domestic light-truck manufacturers chose to comply with the composite CAFE, and the total light-truck fleet CAFE fell 0.2 mpg, to 20.4 mpg. The standard is 20.5 mpg.

One imported light-truck manufacturer, Range Rover, fell short of the 19-mpg 4wd CAFE standard. Its rating was 16.7 mpg. Two domestics fell short of the composite standard of 20.5 mpg. Ford achieved a 20 mpg CAFE, and GM's was 20.4 mpg.

CHANGES IN CAFE

Corporate average fuel economy performance by manufacturer, 1988 and 1989 model years

Passenger cars	1988	1989
Alfa Romeo	25.7	26.9
BMW	21.7	22.1
Chrysler (domestic)	28.4	27.9
Chrysler (import)	30.3	30.3
Daihatsu	46.5	44.2
Ford (domestic)	26.4	26.5
Ford (import)	35.6	31.5
GM (domestic)	27.6	27.2
GM (import)	37.6	37.1
Honda	32.0	31.5
Hyundai	35.0	33.1
Isuzu	34.9	37.3
Jaguar	22.0	20.4
Mazda	28.7	29.8
Mercedes-Benz	21.3	21.4
Mitsubishi	31.2	31.0
Nissan	30.4	30.4
Peugeot	23.4	25.2
Porsche	24.7	23.0
Saab	26.5	26.6
Sterling	23.6	23.6
Subaru	31.9	32.1
Suzuki		36.9
Toyota	32.6	31.9
Volvo	26.0	25.0
VW	30.5	30.2
Yugo	34.2	33.6
U.S. standards	26.0	26.5
Domestic average	27.3	27.1
Import average	31.4	30.6
Combined average	28.7	28.3
Light trucks		
Chrysler (domestic)	21.6	20.8
Chrysler (imports)	22.8	21.6
Ford	20.4	20.0
GM (domestic)	20.2	20.4
GM (imports)		32.1
Isuzu	21.5	21.7
Mazda	26.4	25.1
Mitsubishi	25.8	24.3
Nissan	22.6	23.5
Range Rover	16.7	15.4
Suzuki	33.3	31.7
Toyota	24.4	23.2
VW	19.9	20.8
EPA standard	20.5	20.5
Domestic average	20.6	20.4
Import average*	23.7	23.1
Combined average*	21.1	20.9

*—Does not include 4-wheel-drive trucks by GM, Range Rover and Suzuki, which averaged 31.5 mpg in 1988 and 29.2 mpg in 1989.

Source: Federal Register

Judge tosses suit on Ford transmission

WASHINGTON — A federal district judge in Washington has dismissed a 10-year-old park-to-reverse suit against Ford Motor Co. The proposed class action involved certain 1976-1980 Fords whose automatic transmissions allegedly slip from park to reverse.

In dismissing, Judge June L. Green described the case as a "trial court's nightmare of a litigation monster."

A NHTSA investigation never isolated a specific defect.

Automakers revise incentives

Ford rebates up; Chrysler guarantee stays; V-6 free in Lumina

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. sweetened its factory-to-customer incentive program last week by increasing rebates on six car and truck lines and adding new alternative financing programs.

Also last week, Chrysler Corp. extended its retail guaranteed rebate program, and Chevrolet and Cadillac announced new buyer incentives.

Expiring last week were Chrysler Corp.'s dealer incentive on Chrysler's TC by Maserati and several importers' incentive programs.

Ford revised retail cash rebates are as follows on these 1989 and 1990 vehicles:

Ford Thunderbird and Mercury Cougar, $1,500 (up from $1,000); Ford Taurus and Mercury Sable, $1,000 (up from $750); Ford Aerostar, $750 (up from $500); and Ford Bronco II, $1,500 (up from $1,000).

Buyers of 1989 and 1990 2.3-liter Ford Escort, Probe and Mustang are offered a choice of $1,000 in cash or $750 in cash plus 6.9 percent financing for up to 48-month contracts or 10.9 percent for 60-month contracts.

Buyers of 1989 and 1990 Escorts are offered another alternative of 2.9 percent financing for contracts up to 48 months or 8.9 percent for 60 months.

Ford's program expires April 30.

Retail customers who purchase 1990 Chevrolet Lumina coupes and sedans may order the 3.1-liter V-6 engine at no extra charge.

The manufacturer's suggested retail price of the V-6 is $660.

The engine offer is in addition to Chevrolet's current retail cash rebate of $1,000 on Lumina models. The program expires May 2.

Cadillac is offering rebates of $1,500 to $2,000 on all 1990 models except Allante.

Buyers of DeVille, Fleetwood and Brougham receive a $1,500 cash rebate. Buyers of Eldorado and Seville receive a $2,000 rebate. The program runs through May 31.

In a promotion with Avis Rent-A-Car, persons who test drive a Cadillac from April 7 to April 15 will receive a certificate for a free weekend rental from Avis through June 30.

Chrysler's guaranteed rebate program has been extended until May 31.

Under the program, Chrysler pays the difference to customers if rebates on covered vehicles are increased during the 1990 model year.

It has been in effect since December.

Chrysler ended its factory-to-dealer $6,000 incentive on its 1989 Chrysler's TC by Maserati on March 30.

Customer and/or dealer incentive programs expired March 31 for American Isuzu Motors, Mitsubishi Motor Sales of America Inc., Sterling Motor Cars and American Suzuki Motor Corp.

Europe seeks limits on Japan exports

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — European Commissioner Frans Andriessen came to Japan to sound out the Japanese on how to admit — or rather, how to limit — Japanese exports to the European Community after 1992.

Basically, the Europeans are looking to the Japanese for a voluntary agreement to limit or postpone a Japanese export push.

The conclusion was an agreement to hold "exploratory talks" on how to set up a system that would lead to a liberalized market "by a fixed term." There was no agreement on how long the fixed term would be.

The most sensitive issue, whether to include the output of transplants, was not brought up. Andriessen said transplants would be accounted for in one way or another during a transition period, but that would be discussed later. The length of the transition period is also a matter for discussion.

Andriessen said his message to the Japanese was the need to achieve a "gradual and progressive liberalization of the European market within a time frame" by monitoring Japanese exports to the European Community. He described it as a delicate issue.

Andriessen went into the talks with three points:

- A car made in Europe is European, and the commission would not make any proposal for regulations on local content.
- U.S.-made Japanese makes were not an issue, because the commission did not expect to see much volume from U.S. transplants.
- Japanese vehicles made in Eastern Europe would not be considered a problem either.

Andriessen will report to the commission, which still has to reach a decision on how the community will settle internal differences on Japanese exports.

The U.S. government, which has been holding more talks with the Japanese on auto parts, has no more progress to report than the Europeans. Although the Japanese negotiators have put the proposals they made in the November market-oriented/sector-specific talks into more specific language, the American side is still not satisfied.

So far, according to American representatives, the Ministry of International Trade and Industry is still proposing more forums for better communications. The American side is still looking for more sales receipts.

EGAN

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was about to go out of production for six months because there were no orders. "People in BL didn't give it a chance of survival," Egan said.

Product quality was disastrous. Egan got Jaguar's handful of engineers to work with suppliers to improve quality. Unfortunately, at one time that left only 13 working on the replacement for the XJ6.

It was not long before Egan was leading the company's attack on poor British workmanship. He had the sense to realize that if you keep talking about quality, people will eventually believe you have a quality product. The reality was that Jaguar's quality improved from poor to mediocre.

The company was never going to have the cash to "engineer" its way out of the bad quality hole. Egan realized that dealers must be able to offer the highest standard of service. Then, if there were faults, customers would not be perturbed. He was proved right.

The chairman visited dealers and listened to their problems.

Gene Fisher, chairman of the Jaguar National Dealer Advisory Council and the owner of Overseas Motors in Fort Worth, Texas, said American dealers will miss Egan.

Egan made a special trip to the United States in the fall of 1988 to visit a new Jaguar facility Fisher had built in Dallas, plus a new $2.5 million facility in Lebanon, Pa., that had been built by Ladd-Hanford Jaguar-Volvo.

"He always made himself available to the dealer body, and he was highly thought of," Fisher said.

"I have nothing but compliments for the way he took them from basic extinction to the way they are today. He's an excellent man, and we'll miss him," he said.

In reality, Jaguar had major problems that were cleverly prevented from tarnishing the company's rejuvenated reputation. Productivity at the antiquated plants improved only marginally, and Egan invariably angered rather than encouraged the work force.

The launch of the XJ6 in 1986 was two years late, but the car still had quality problems.

For their part, German executives are amazed at what Jaguar has achieved with such meager resources. Egan believed Jaguar had to be making 50,000 cars a year to be a contender in the luxury market. It meant pushing sales too hard in the United States, making Jaguar vulnerable to exchange rate swings.

Egan was justifiably proud of the new research and development center that was funded by the higher production. But the company still has only a fraction of the engineers of BMW and Mercedes-Benz.

When Ford stepped in, Egan reminded himself that he is a professional businessman, not a dedicated car man. He has chosen to seek the independence he enjoyed at Jaguar. He has had a number of job offers.

Automotive News Staff Reporter Jim Henry in New York contributed to this report.

Gulfstream deal

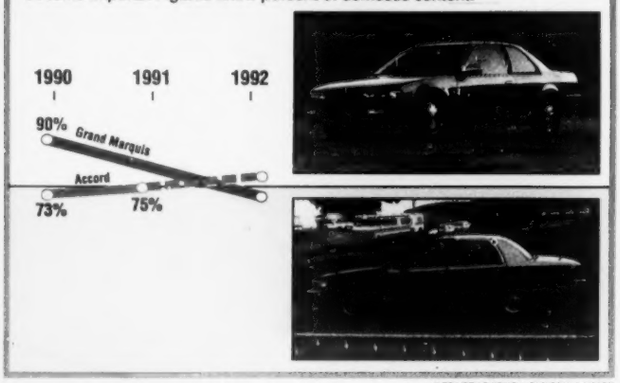
HIGHLAND PARK, Mich. — Chrysler Corp. has completed the sale of Gulfstream Aerospace.

Chrysler sold the commercial aircraft manufacturer for $825 million to a corporation formed by Allen Paulson and affiliates of Forstmann Little & Co. Paulson was chairman of Gulfstream when the company was sold to Chrysler for $637 million in 1985.

Paulson, who founded Gulfstream in 1978, is chairman and chief executive officer of the new corporation.

Import or domestic?

For CAFE purposes, EPA considers cars with 75% or more North American content to be domestic cars. Next year, Honda Accord will become a domestic, and in 1992 Mercury Grand Marquis (and Ford Crown Victoria) become imports. Figures show percent of domestic content.



AUTOMOTIVE NEWS / CHRISTINE BEEVER

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The government makes a distinction between domestic and import fleets for corporate average fuel economy purposes. Cars with less than 75 percent U.S. and Canadian content are counted as imports; those with 75 percent or more are domestics.

If the current Accord were a domestic car, it wouldn't meet CAFE rules. The 1990 model falls below the 27.5-mpg standard, with the manual transmission model rated at 26 mpg and the automatic at 24 mpg, according to Honda.

But Honda's domestic CAFE rating will include the Accord and the more fuel-efficient Civic in the 1992 model year. And any CAFE violations by the Accord could be offset by credits achieved if the domestic Civic and Accord exceed the standard in subsequent years.

Nelson said the company is considering ways to increase North American content to 82-85 percent for the Accord and the Civic. The Accord currently has 73 percent domestic content and the Civic 71 percent, according to the company.

Nelson said there is no specific timetable for reaching 85 percent. Uncertainty about future CAFE regulations is a major concern.

Congress is debating various plans to increase CAFE standards. One plan, to impose a flat percentage increase for import and domestic fleets alike, could prove difficult for importers, who say many of their smaller cars are about as fuel-efficient as they can get. Nelson said reaching 82 to 85 percent domestic content "depends on the outcome of the CAFE question."

While Honda pushes for 85 percent, Ford Motor Co. will reduce the domestic content of its big Crown Victoria and Grand Marquis for the 1992 model year from about 90 percent to less than 75 percent. The change will improve Ford's domestic CAFE rating by pushing the fuel-thirsty cars into its imported fleet, which easily exceeds the standard.

Volkswagen of America Inc. achieved the 75 percent mark for its Pennsylvania-built cars in the 1983-86 model years.

Because VWoA built fuel-efficient cars in the United States, its "domestic" cars easily met federal standards, while its European-built models, including Audis, didn't. VWoA successfully petitioned for an exemption from having to meet separate CAFE standards for its imported and domestic fleets.

Honda could apply for such an exemption. But there are conditions that have to be met, including evidence that such a move would not decrease U.S. employment.

AUTO PARK

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open only for browsing. On that day, sales personnel will be replaced by "greeters," who will serve refreshments and create a pressure-free environment in which customers can browse.

Greeters will be knowledgeable about product and will talk about anything the customers want except the actual deal. Pennsylvania law forbids the sale of automobiles on Sunday.

In addition to the hospitality center, the mall will have a body shop and a service department with 75 stalls. Each franchise will have its own service staff.

The 30-acre park is situated on a 60-acre parcel of land a quarter-mile south of a shopping mall. As an added customer convenience, Ertley will run shuttles to and from the mall for customers who wish to shop while their vehicles are being serviced.

Unlike auto malls and parks that are occupied by several independent dealerships, The Ertley Dealerships will be the only company within the mall. The remaining land will be used as the business expands, Ertley said.

"We are very space conscious," he said. "We want to keep the land for our own use and our own growth."

The Ertley Dealerships employs 350 people and had sales of $132 million last year.

Light-truck CAFE is 20.2 for 1991-92

WASHINGTON — The National Highway Traffic Safety Administration said Friday that light-truck corporate average fuel economy standards would stay at 20.2 mpg for the 1992 model year.

The standard for the current model year is 20 mpg and is scheduled to rise to 20.2 mpg in the 1991 model year.

NHTSA also said it is discontinuing optional standards that allow manufacturers to have separate standards for 2-wheel-drive and 4-wheel-drive fleets.

Senate air bill heads for a vote

Amendment calls for reformulated gasoline in 9 dirtiest cities

By Diana T. Kuryiko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Alternative fuels provisions in clean air bills being hammered out in the Senate and a House committee were beefed up last week.

The Senate appeared ready to vote on a final package tomorrow that is basically stripped of provisions that were most worrisome to the automobile industry.

The Senate last week amended its bill by approving a provision that would require the sale of cleaner reformulated gasoline by 1993 in nine cities with the worst smog — Los Angeles, New York, Chicago, Houston, Milwaukee, Baltimore, Philadelphia, Muskegon, Mich., and San Diego.

A much more stringent alternative fuels provision for cars sold in those nine cities was adopted by the House Energy and Commerce Committee, which is deliberating over the House clean air bill.

The committee, headed by Rep. John Dingell, D-Mich, voted 23-19 after a long debate on the alternative fuels requirements, despite heavy lobbying by the auto industry.

The House committee voted to mandate the sale of cars that produce 10 percent fewer total vehicle emissions, starting in 1995 and lasting until 1999, and 24 percent fewer emissions for the year 2000 and following years.

Sam Leonard, director for automotive emission control at General Motors Corp., said automakers are likely to be able to meet the first phase requirement with reformulated gasoline.

Reformulated gasoline may also satisfy the second phase, but some vehicle modifications will have to be made, Leonard said.

Centrally fueled fleets would have to run 30 percent more cleanly beginning in 1995. Leonard said only a variable fuel methanol vehicle is likely to meet that emissions standard.

The second phase, for fleet vehicles bought after 2000, would mandate a 75 percent emissions reduction from 1995 levels.

Only a natural gas-fueled vehicle could run that cleanly, Leonard said.

Automakers fear cargo capacity would be cut by at least half if natural gas is mandated. Approximately twice as much natural gas is needed to go the same distance as gasoline, requiring a larger fuel tank.

Saab's priorities: efficiency, salaries

By John Wiman
SPECIAL CORRESPONDENT

TROLLHATTAN, Sweden — Saab Automobile President David J. Herman has two major challenges for 1990.

"To increase the efficiency of the production in our plant in Trollhattan by 25 percent and to start work on a new salary system where knowledge pays off," he said.

Herman

The absentee figures in Trollhattan are extremely high — up to 25 percent among assembly line workers. Saab cut its personnel by 2,000 last year and is going to cut about 1,000 more during 1990 and 1991. Two years ago, the plant had just over 9,000 employees.

"At the present moment we have the problem that too many workers are leaving," said Herman.

"The figure is 35 to 40 each week. We must put a stop to this."

At the same time, Herman stated that the assembly line will not be thrown out, as it was at Saab's new plant in Malmo.

"If Toyota can reach top quality on their Lexus, produced on an assembly line, we should be able to do that as well," said Herman.

Whether or not to introduce all-wheel drive on forthcoming models is another decision that Saab has to face.

"It might be introduced as an option," said Herman. "But before we make that decision, we have to decide if that car will be front- or rear-wheel-driven."

Herman added that 4-wheel drive also may be offered as an option on current 900 and 9000 models.

But he added, "Before we make the decision, we must be completely clear on why we should offer it. We won't introduce it just to have it."

Herman said a will be made within five or six months.

Herman said Saab's new plant in Malmo is on schedule with output of 35 cars a week and that output will steadily increase. "In the second half of 1991 the production is to be around 37,000 units a year," he added.

Herman dismissed speculation that GM will take 100 percent of Saab Automobile in the future: "Our owners have clearly stated that this company will live its own life, with its own board of directors. Both GM and Saab-Scania are ready to help us but only when we ask for their help."

IACOCCA

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"The people who bought from us in the '70s, maybe we didn't do them too well. In the '80s we were doing better. But in the '90s, we're really there. But the buyer says, 'No, no, I've been burned twice by you, buster, and I'm not so sure.' "

He chided the press for giving the Japanese too much credit and not enough to domestic makers.

"When a 6-year-old product (the Chrysler minivan) takes 64 percent of the market in a raging battle, that's what I call news. In January 1990, we sold 63,733 minivans. That's more than the Japanese sell in a whole year, and nobody ran anything about that. Maybe I don't know what's news, but that seems like news to me."

However, Iacocca said he disagreed — sort of — with Chrysler Motors Chairman Ben Bidwell, who suggested at the *Automotive News* World Congress in January that the U.S. press is full of unpatriotic, "congenital sickos."

"No, that's Bidwell," Iacocca said, smiling. "I think you're sickos sometimes, too, just not congenital ones."

Discussing new products, he gently poked fun at the Voyager III concept car, which splits into two units. The front module is powered by propane, while the rear passenger unit is powered by a four-cylinder gasoline engine.

"Obviously, there are more than a few bugs to be worked out. Just because you have a driver's license doesn't mean you can dock the thing. Just try it.

"The government won't be able to figure out the gas mileage. And the marketing guys won't be able to figure out which end to put the rebate on."

He said there will be a Dodge Shadow convertible by this fall. Chrysler is working on getting the price cut nearly in half, from around $18,000 to $20,000, where it might fall today, to a target around $11,000 to $11,500.

Iacocca said Chrysler has cut back on its fleet sales.

"We've had to give up 50,000 to 70,000 units of fleet business because we can't match the prices that other people are offering. If every time you do it, you lose $300 or $400, that's just not good business. We even own a rental company, Thrifty, and Chrysler can't sell 'em any cars. We can't meet the price from the competition, so we tell 'em go ahead and buy 'em (from someone else).

Daimler-Benz, Tata discussing manufacturing pact

NEW DELHI, India — Tata Engineering and Locomotive Co. Ltd. is negotiating with German automaker Daimler-Benz AG to manufacture Mercedes-Benz commercial vehicles.

The vehicles would be made primarily for export and marketed under the Mercedes brand.

If the negotiations are successful, the resulting agreement would also lead to an update of the vehicles Tata currently builds in India.

Said Ratan Tata, chairman of Tata, "Their engineers and our engineers have had a couple of rounds of talks."

"The Benz people have also visited our facilities," Tata said.

Tata has manufacturing facilities in Pune, Maharashtra; and Jamshedpur, Bihar. A third facility is being built in Uttar Pradesh.

It is still not known whether Daimler will raise its present equity stake of 11 percent in Tata.

Total capital outlay in the project could range between 1.5 billion and 2.0 billion rupees ($88.2 million to $117.6 million).

Auto build holds steady at 138,531

By Karen Detkowski
AUTOMOTIVE NEWS STATISTICIAN

U.S. automakers scheduled 138,531 cars last week, 0.27 percent below the prior week but 6.22 percent above the year-ago week.

So far this year, 1,445,173 cars have been assembled, 24.17 percent below 1989.

Companies split last week's scheduled production as follows: General Motors, 43.28 percent; Ford Motor Co., 26.15 percent; Chrysler Corp., 10.76 percent; Honda of America Manufacturing Inc., 6.38 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.15 percent; Mazda Motor Manufacturing (USA) Corp., 3.14 percent; New United Motor Manufacturing Inc., 2.96 percent; Diamond-Star Motors Corp., 2.13 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.72 percent; and Subaru-Isuzu Automotive Inc., 0.33 percent.

Targeted output of 90,625 trucks last week was 1.16 percent below the prior week, but rose 17.73 percent above the year-ago week.

Truck production for the year stands at 954,199 units, 17.54 percent below a year ago.

The year-ago week's production was affected by a 4-day week in observance of Martin Luther King Jr. Day.

GM scheduled Saturday overtime last week at the following truck plants: Baltimore; Flint, Mich.; Fort Wayne, Ind.; Shreveport, La.; and Moraine, Ohio.

Also working overtime last Saturday were GM's A-line at the Lansing, Mich., plant and the Willow Run, Mich., facility.

GM's Janesville, Wis., Cavalier plant was scheduled for Friday overtime.

Ford scheduled daily overtime last week at the Wixom, Mich.; Atlanta; and Chicago car plants. Truck facilities working daily overtime were: St. Paul, Minn.; St. Louis; and Louisville, Ky.

Ford will close the Mustang assembly plant in Dearborn, Mich., and the Thunderbird/Cougar facility in Lorain, Ohio, this week due to a lack of dealer orders. The plants are scheduled to resume output April 9.

Chrysler will close its Belvidere, Ill.; Newark, Del.; Toledo, Ohio; and Sterling Heights, Mich., plants this week because of slow sales. Production will resume April 9.

Canadian cars near 1989 total

Canadian makers scheduled output of 21,201 cars last week, 2.23 percent below the prior week but 2.77 percent above the year-ago figure.

So far this year, 252,450 cars have been assembled, down 0.77 percent from 1989.

Truckmakers' scheduled output of 19,719 units fell 2.80 percent below the previous week and dipped 1.00 percent from the year-ago week.

Canadian truck assembly year-to-date is 227,222, which is 13.19 percent below last year's total at this point.

U.S. CAR	Week Ended Mar. 31, 1990	Week Ended Apr. 1, 1989	Week Ended Mar. 24, 1990	Mar. Est.	Jan. 1 to Mar. 31, 1990	Jan. 1 to Apr. 1, 1989
Horizon	0	492	0	0	4,578	611
Sundance	1,900	1,972	2,026	8,710	18,989	29,923
Acclaim	2,100	2,631	2,025	9,113	20,342	29,985
Total Plymouth	4,000	5,095	4,051	17,823	43,909	60,519
LeBaron A	400	0	773	3,136	5,430	0
LeBaron J	1,000	1,809	1,296	5,526	7,939	28,413
LeBaron GTS	0	0	0	0	0	2,946
N. Yorker C-Class	400	1,725	546	2,257	5,129	32,528
Fifth Avenue	700	0	729	3,153	7,027	0
Imperial	500	0	547	2,400	5,479	0
Total Chrysler	3,000	3,534	3,891	16,473	31,004	63,887
Omni	0	590	0	0	4,308	708
Daytona	600	1,840	882	3,611	5,212	28,459
Shadow	2,100	1,913	2,168	9,485	21,521	30,353
Dynasty	3,000	2,472	3,113	13,773	30,601	40,669
Lancer	0	0	0	0	0	1,528
Spirit	2,200	2,390	2,146	9,268	22,373	27,425
Total Dodge	7,900	9,205	8,309	36,137	84,015	129,142
CHRYSLER MOTORS	14,900	17,834	16,251	70,433	158,928	253,548
Escort	5,370	6,007	4,608	19,731	38,800	92,788
Mustang	3,705	3,104	3,692	16,189	39,720	53,300
Tempo	3,438	2,732	2,909	13,335	31,310	43,039
Taurus	8,738	6,327	8,254	35,918	98,834	100,630
Thunderbird	2,819	3,166	2,913	13,754	29,071	47,111
Total Ford Div.	24,070	21,336	22,376	98,927	237,735	336,868
Topaz	1,292	986	1,821	6,864	12,515	16,341
Cougar	2,774	2,099	2,689	10,825	19,217	39,596
Sable	3,193	2,552	3,021	12,913	26,594	35,300
Total Mercury	7,259	5,637	7,531	30,603	58,326	91,237
Continental	1,090	1,082	1,250	5,130	13,980	19,191
Mark VII	537	360	638	2,561	6,952	7,646
Town Car	3,273	2,166	3,782	15,422	42,043	34,519
Total Lincoln	4,900	3,608	5,670	23,114	62,975	61,356
Total L-M Div.	12,159	9,245	13,201	53,717	121,301	152,593
FORD MOTOR CO.	36,229	30,581	35,577	152,644	359,036	489,461
Skyhawk	0	252	0	0	0	8,992
Skylark/Somerset	2,045	1,042	2,003	8,714	19,799	13,553
Century	1,410	2,167	1,462	6,537	16,857	32,247
Riviera	538	433	538	2,366	5,647	7,459
Electra	0	1,414	0	0	12,317	21,243
LeSabre (fwd)	3,214	3,760	3,850	16,551	38,867	26,701
LeSabre (rwd)	205	161	191	850	1,775	2,484
Reatta	208	145	181	879	2,109	1,797
Total Buick	7,620	9,374	8,225	35,897	97,371	114,476
Eldorado	683	727	632	2,563	5,334	9,782
Seville	695	458	692	2,964	6,825	7,217
Brougham (rwd)	1,050	646	1,026	4,550	10,077	11,817
DeVille (fwd)	3,835	3,802	3,705	16,472	37,902	57,400
Allante	85	60	87	386	876	924
Total Cadillac	6,348	5,693	6,142	26,934	61,014	87,140
Cavalier	7,843	6,599	7,887	34,294	73,710	98,168
Camaro	1,765	2,239	1,792	8,716	11,585	31,376
Celebrity	0	2,241	0	0	0	41,640
Corsica/Beretta	6,160	3,745	6,028	26,100	69,410	109,669
Caprice	2,803	4,356	2,958	12,824	29,874	52,444
Corvette	560	500	560	2,464	5,600	6,708
Total Chevrolet	19,131	19,680	19,225	84,399	190,179	340,005
Calais	1,870	1,826	1,978	8,730	20,575	23,332
Cutlass Ciera	2,523	1,482	2,565	11,026	23,084	21,370
Cutlass Supreme	1,925	2,831	1,978	8,460	20,456	27,113
Toronado	384	139	392	1,996	5,522	2,930
88 (fwd)	2,284	2,831	2,276	8,173	20,274	41,283
88 (rwd)	120	117	89	423	1,032	1,936
98	1,445	1,849	1,311	6,096	14,123	24,215
Total Oldsmobile	10,551	11,075	10,589	44,902	105,066	142,179
Sunbird	3,525	3,110	3,401	15,676	31,148	37,567
Grand Am	4,800	5,105	4,782	21,160	42,901	64,038
Firebird	1,410	1,068	1,218	5,220	6,249	18,933
Grand Prix	3,135	3,398	3,010	13,174	24,726	34,455
Pontiac 6000	1,653	1,751	1,678	7,420	15,831	23,807
Bonneville	1,785	1,152	0	1,785	15,769	23,299
Safari/Parisienne	0	106	0	0	0	1,375
Total Pontiac	16,308	15,690	14,089	64,435	136,624	203,474
GENERAL MOTORS	59,958	61,512	58,270	256,566	590,254	887,274
DIAMOND-STAR	2,954	1,075	4,033	13,403	35,659	9,335
HONDA	8,845	7,614	9,504	40,131	112,061	100,112
Civic	2,790	2,539	2,890	11,354	32,710	33,324
Accord	6,055	5,075	6,614	28,778	79,351	66,788
MAZDA†	4,345	3,727	4,467	19,244	47,553	61,499
NISSAN	2,380	2,084	2,370	10,450	30,104	29,598
NUMMI	4,100	4,041	3,728	17,987	51,410	49,963
Corolla	2,100	1,664	2,052	9,631	27,022	21,125
Geo Prizm/Nova	2,000	2,377	1,676	8,355	24,388	28,838
SUBARU-ISUZU	455	0	292	1,698	4,346	0
TOYOTA	4,365	1,948	4,420	19,407	55,822	24,995
Total Cars, U.S.	138,531	130,416	138,912	601,964	1,445,173	1,905,785
Total Cars, Canada	21,201	20,629	21,685	105,746	252,450	254,397
U.S., Canada Cars	159,732	151,045	160,597	707,710	1,697,623	2,160,182
U.S., Canada Cars and Trucks	270,076	247,940	272,575	1,185,652	2,879,044	3,579,034

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe
*—Estimated

CANADIAN CAR	Week Ended Mar. 31, 1990	Week Ended Apr. 1, 1989	Week Ended Mar. 24, 1990	Mar. Est.	Jan. 1 to Mar. 31, 1990	Jan. 1 to Apr. 1, 1989
Monaco	0	0	0	1,699	3,593	0
Premier	0	1,285	0	851	1,252	12,570
CHRYSLER MOTORS	0	1,285	0	2,550	4,845	12,570
Tempo	3,428	3,379	3,370	14,599	34,272	45,586
Topaz	1,468	1,428	1,477	5,934	11,178	18,301
Crown Victoria	2,801	2,901	3,102	13,137	29,742	34,820
Grand Marquis	2,959	2,877	2,610	13,025	30,454	36,309
FORD MOTOR CO.	10,656	10,585	10,559	46,695	105,646	135,016
Celebrity	0	239	0	2,291	5,305	2,488
Cutlass Ciera	0	4,112	0	6,185	22,303	47,869
Lumina	5,215	2,428	5,612	24,574	53,926	9,266
Regal	1,800	43	1,700	6,729	11,004	22,301
GENERAL MOTORS	7,015	6,822	7,312	39,779	92,538	81,924
HONDA	1,890	1,528	2,109	9,499	28,794	21,060
HYUNDAI*	310	0	310	1,364	4,050	0
TOYOTA	1,150	229	1,215	5,067	14,311	1,614
VOLVO	180	180	180	792	2,266	2,213
Total Cars, Canada	21,201	20,629	21,685	105,746	252,450	254,397

U.S. TRUCK	Week Ended Mar. 31, 1990	Week Ended Apr. 1, 1989	Week Ended Mar. 24, 1990	Mar. Est.	Jan. 1 to Mar. 31, 1990	Jan. 1 to Apr. 1, 1989
Caravan	1,900	2,093	2,212	9,496	30,063	28,916
Dakota	1,500	1,911	1,983	7,849	16,866	28,493
Caravan C/V	100	191	143	602	1,909	2,486
Ram pickups	2,300	1,909	2,974	11,791	24,274	28,477
Total Dodge	5,800	6,104	7,312	29,738	73,112	88,372
Cherokee	4,400	4,340	4,458	19,647	44,575	57,901
Comanche	200	549	191	974	2,092	8,986
Grand Wagoneer	300	277	0	625	1,210	4,229
Wagoneer	100	199	121	473	953	2,621
Total Jeep	5,000	5,365	4,770	21,719	48,830	73,737
Voyager	1,900	2,048	2,259	9,748	28,476	27,863
Town & Country	50	0	76	308	953	0
Total C-P Div.	1,950	2,048	2,335	10,056	29,429	27,863
CHRYSLER MOTORS	12,750	13,517	14,417	61,512	151,371	189,972
Aerostar	4,962	4,015	4,584	19,401	45,011	61,453
Bronco	1,185	1,287	1,177	5,117	13,691	24,176
Bronco II	2,808	2,309	1,978	7,112	22,035	35,975
Econoline	4,307	4,096	4,258	18,939	44,790	64,204
Mediums/Heavies	1,059	1,176	1,105	4,701	22,012	17,625
Light trucks	9,801	9,138	9,830	43,028	109,769	141,133
Ranger	7,480	6,581	7,127	31,968	75,276	94,924
Total Ford Div.	31,602	28,602	30,059	130,267	332,584	439,490
FORD MOTOR CO.	31,602	28,602	30,059	130,267	332,584	439,490
Astro	3,235	3,102	3,280	13,687	26,147	44,319
Blazer	434	554	466	1,736	3,858	7,331
Lumina APV	1,578	0	1,964	8,437	23,592	0
Mediums/Heavies	309	0	308	1,289	3,847	0
P-Model	613	704	622	1,930	5,563	7,854
Pickups	8,385	6,610	8,077	35,442	80,607	114,336
S-10	5,188	4,591	5,088	22,365	60,113	74,978
S-10 Blazer	4,496	3,331	4,360	18,268	31,200	50,239
Sportsvan/Van	1,620	1,906	1,693	7,402	13,247	24,506
Suburban	1,823	1,500	1,744	7,540	16,155	20,088
Total Chevrolet	27,681	22,298	27,602	118,098	264,329	343,651
Jimmy	149	146	218	619	1,380	2,242
Mediums/Heavies	455	0	554	2,060	5,022	0
P-Model	87	53	46	263	709	1,030
Pickups	2,412	1,129	2,514	10,242	22,131	31,128
S-15	1,261	910	1,431	5,249	14,640	17,784
S-15 Jimmy	1,363	955	1,420	5,346	10,195	14,347
Safari	901	473	1,275	3,946	8,378	11,111
Suburban	787	592	988	3,346	7,272	7,969
Vandura/Rally Vans	840	438	778	3,460	6,181	6,417
Total GMC	8,255	4,696	9,224	34,533	75,908	92,028
Olds Silhouette	780	0	607	2,679	7,572	0
Pontiac Trans Sport	970	0	1,146	4,707	14,524	0
GENERAL MOTORS	37,686	26,994	38,579	160,016	362,333	435,679
NAVISTAR	1,640	1,912	1,665	6,848	19,577	22,299
NISSAN	3,061	2,502	3,095	13,497	38,770	35,020
SUBARU-ISUZU	436	0	425	1,912	4,714	0
AM GENERAL*	450	450	450	1,980	5,850	5,670
MISCELLANEOUS*	3,000	3,000	3,000	13,200	39,000	28,980
Total Trucks, U.S.	90,625	76,977	91,690	389,231	954,199	1,157,110

CANADIAN TRUCK	Week Ended Mar. 31, 1990	Week Ended Apr. 1, 1989	Week Ended Mar. 24, 1990	Mar. Est.	Jan. 1 to Mar. 31, 1990	Jan. 1 to Apr. 1, 1989
Caravan	3,250	2,762	3,302	14,500	42,301	40,121
Caravan C/V	297	177	322	1,342	3,128	2,558
Ram Wagon	540	680	556	2,371	5,604	7,883
Ram Van	1,380	1,754	1,384	6,144	13,951	20,196
Total Dodge	5,467	5,373	5,564	24,356	64,984	70,758
Voyager	2,597	2,278	2,697	11,601	34,706	35,219
Total Plymouth	2,597	2,278	2,697	11,601	34,706	35,219
Wrangler	1,500	1,763	1,551	6,768	10,794	20,356
Total Jeep	1,500	1,763	1,551	6,768	10,794	20,356
CHRYSLER MOTORS	9,564	9,414	9,812	42,725	110,484	126,333
FORD MTR. (lt. trks.)	3,100	3,578	2,865	13,573	35,223	44,260
Light trucks	3,475	3,812	3,483	16,478	45,651	43,389
Vans	1,482	1,429	1,434	6,009	10,718	18,008
Total Chevrolet	4,957	5,241	4,917	22,486	56,369	61,397
Light trucks	1,405	737	2,020	6,521	18,213	18,023
Vans	468	677	460	2,434	4,272	8,582
Total GMC	1,873	1,414	2,480	8,955	22,485	26,605
GENERAL MOTORS	6,830	6,655	7,397	31,442	78,854	88,002
NAVISTAR	225	271	214	972	2,661	3,147
Total Trks., Canada	19,719	19,918	20,288	88,711	227,222	261,742
U.S., Canada Trks.	110,344	96,895	111,978	477,943	1,181,421	1,418,852

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.